

# FINANCIAL REPORT 2019

3	Comment on the Financial Report 2019
4	Balance Sheet
5	Income Statement
5	Statement of Changes in Equity
6	Cash Flow Statement
7	Notes
26	Report of the Auditors

# Comment on the Financial Report 2019

From Matthias Schmid-Huberty, Administrative Director and Mathias Kronig, Head Finances/Controlling

Swiss TPH presents an ordinary result of CHF –208,623 in 2019, compared to CHF –262,153 in 2018. The operating result from activities was CHF 13,360, which represents an increase of almost CHF 350,000 over the previous year (CHF –334,494). The financial result reached CHF –221,983 (CHF 72,341 in 2018), which was caused mainly by exchange rate losses.

In 2019, the total operating income of Swiss TPH slightly exceeded CHF 90.3 million – a solid increase of CHF 3.7 million (4%) over the previous year. The core funding remained stable. CHF 2.5 million are recognised as deferred income and will be used for the new building. Therefore, despite the net increase of CHF 0.2 million in core funding, reaching CHF 19.3 million in 2019, the ratio slightly weakened to 21.4% of the total operating income (–0.6%).

Third party funding was CHF 71.7 million, resulting in an increase of CHF 3.4 million (5%) over 2018. The proportion of self-managed funds slightly increased and remains high but stable at 78.6%.

In line with the higher volume of activity (+4%), personnel expenses increased by CHF 1.3 million (+3%), while expenses for projects abroad increased considerably by CHF 2.1 million (6%).

The local expenditures for projects increased to 25.1 million, growing by 6% to a share of over a quarter of the Swiss TPH total budget. The majority was still spent in Africa (CHF 12.3 million), even though dropping by 22%. While the spending for European projects sharply increased (CHF 10.6 million/+82%) for the second year in a row, the growth in Asia (CHF 2.0 million/+10%) remained similar to previous years. In the rest of the world, the project volume was halved (CHF 0.16 million/–47%). Fiduciary funds developed to CHF 11.8 million/+5% in line with the general growth of turnover.

As in previous years, additional depreciations for building installations were posted in 2019. These installations will not be used in the new building in Allschwil (currently in the construction stages) and are to be amortized before having reached the end of their useful life.

Compared to 2019, the balance sheet total increased by 13% / CHF 7.4 million to CHF 64 million. Receivables from services increased sharply, while other short term receivables and accrued income remained stable, resulting in a total increase of CHF 8.4 million of the current assets. At the same time, the non-current assets decrease by CHF 1 million due to reclassification of the building in progress.

Total investments amounted to CHF 663,029, reflecting the continued decrease of last year in light of the upcoming move to the new building in 2021, halted new investments considerably. CHF 124,619 were project investments of which all were depreciated in the month of purchase, CHF 92,056 were intangible assets and the remaining CHF 446,354 represented the tangible assets. With such low investment activity, Swiss TPH has been living again from its substance. Swiss TPH will have the opportunity to make up this backlog in investment when equipping the new building.

# Balance Sheet

	Notes	31.12.2019 CHF	31.12.2018 CHF
<b>Assets</b>			
Cash and cash equivalents	4.1	30,293,000	23,904,842
Projects abroad		1,332,466	1,689,533
Receivables from services	4.2	15,738,352	12,307,122
Rudolf Geigy Foundation		49,407	231,117
Other short-term receivables	4.3	4,588,737	3,684,628
Provision for bad debts	4.4	-191,800	-92,900
Prepayments and accrued income	4.5	4,345,698	6,167,806
Inventories	4.6	353,241	212,388
<b>Current assets</b>		<b>56,509,101</b>	<b>48,104,536</b>
Building	4.7	5,505,981	6,305,064
Equipment	4.7	1,432,167	1,425,928
Long-term financial assets	4.8	62,536	62,536
Intangible assets	4.7	564,109	779,129
<b>Non-current assets</b>		<b>7,564,793</b>	<b>8,572,657</b>
<b>Total assets</b>		<b>64,073,894</b>	<b>56,677,193</b>
<b>Liabilities and equity</b>			
Payables from goods and services		5,157,852	2,649,619
Other payables		692,027	666,056
Projects with own accounts		140,718	116,040
Key deposit		107,025	97,745
Accrued liabilities and deferred income	4.10	38,030,443	35,952,949
Short-term provisions	4.11	1,609,270	1,216,888
<b>Current liabilities</b>		<b>45,737,335</b>	<b>40,699,297</b>
Mortgages	4.9	1,000,000	1,500,000
Other long-term liabilities	4.12	791,908	434,626
Long-term provisions	4.13	1,907,804	1,697,800
Long-term deferred income	4.13	8,200,000	5,700,000
<b>Non-current liabilities</b>		<b>11,899,712</b>	<b>9,332,426</b>
<b>Total liabilities</b>		<b>57,637,047</b>	<b>50,031,723</b>
On January 1 <sup>st</sup>		6,645,470	6,907,623
Result of the year		-208,623	-262,153
<b>Total equity at the end of the year</b>		<b>6,436,847</b>	<b>6,645,470</b>
<b>Total liabilities and equity</b>		<b>64,073,894</b>	<b>56,677,193</b>

# Income Statement

	Notes	31.12.2019 CHF	31.12.2018 CHF
Self-managed income from research, education and services	4.14	69,356,774	65,282,181
Core funding national and local government	4.15	19,347,829	19,136,359
Other operating income	4.16	2,032,845	2,337,153
Change in unbilled services	4.17	-414,258	-140,897
<b>Total operating income</b>		<b>90,323,190</b>	<b>86,614,796</b>
Personnel expenses	4.18	-51,498,978	-50,240,908
Material expenses	4.19	-3,917,498	-3,763,333
Depreciation of tangible assets	4.7	-1,231,297	-1,345,354
Amortisation on intangible assets	4.7	-307,076	-324,709
Administrative expenses	4.20	-5,058,979	-4,499,808
Other operating expenses	4.21	-28,296,002	-26,775,178
<b>Total operating expenses</b>		<b>-90,309,830</b>	<b>-86,949,290</b>
<b>Operating result</b>		<b>13,360</b>	<b>-334,494</b>
Financial result	4.22	-221,983	72,341
<b>Ordinary result</b>		<b>-208,623</b>	<b>-262,153</b>
Extraordinary result		0	0
<b>Result of the year</b>		<b>-208,623</b>	<b>-262,153</b>

# Statement of Changes in Equity

	Notes	2019 CHF	2018 CHF
Equity as of 1 January		6,645,470	6,907,623
Result of the year		-208,623	-262,153
<b>Equity as of 31 December</b>		<b>6,436,847</b>	<b>6,645,470</b>

# Statement of Cash Flows for the year ended 31 December

	Notes	2019 CHF	2018 CHF
<b>Cash flows from operating activities</b>			
<b>Result of the year</b>		<b>-208,623</b>	<b>-262,153</b>
<b>Adjustments for non-cash income and expenses</b>			
		<b>2,303,644</b>	<b>1,659,778</b>
Depreciation of tangible assets	4.7	1,227,824	1,345,354
Depreciation of project investments	4.7	124,619	318,167
Amortisation of intangible assets	4.7	307,076	324,709
Losses on asset disposals	4.7	3,473	0
Losses for bad debts		38,265	27,833
Decrease (-)/Increase (+) in long-term provisions	4.13	210,005	45,402
Decrease (-)/Increase (+) in short-term provisions	4.11	392,382	-401,687
<b>Changes in operating assets and liabilities</b>			
		<b>2,948,263</b>	<b>-3,609,580</b>
Increase (-)/Decrease (+) in receivables		-3,735,927	-1,023,820
"Increase (-)/Decrease (+) in prepayments and accrued income"	4.5	1,822,108	-1,072,096
Increase (-)/Decrease (+) in inventories	4.6	-140,854	-97,417
Decrease (-)/Increase (+) in payables		2,568,161	-1,036,784
"Decrease (-)/Increase (+) in accrued liabilities and deferred income"	4.10	2,077,493	-382,661
"Decrease (-)/Increase (+) in long-term liabilities and long-term deferred income"	4.12	357,282	3,198
<b>Cash inflow from operating activities</b>		<b>5,043,284</b>	<b>-2,211,955</b>
<b>Cash flows from investing activities</b>			
Outflows for purchase of tangible assets	4.7	-570,972	-992,909
Inflows from disposals of tangible assets	4.7	7,901	1,340,098
Outflows for purchase of intangible assets	4.7	-92,056	-194,478
Inflows from disposals of intangible assets	4.7	0	29,170
<b>Cash drain from investing activities</b>		<b>-655,127</b>	<b>181,881</b>
<b>Cash flows from financing activities</b>			
Repayment Mortgage Basler Kantonalbank	4.9	-500,000	0
Cash advance from subsidies	4.15	2,500,000	2,500,000
<b>Cash drain from financing activities</b>		<b>2,000,000</b>	<b>2,500,000</b>
<b>Net de-/increase in cash and cash equivalents</b>			
		<b>6,388,157</b>	<b>469,926</b>
thereof blocked by projects		1,195,847	-250,473
thereof fully disposable		5,192,310	720,399
Cash and cash equivalents at beginning of year		23,904,842	23,434,916
Cash and cash equivalents at end of year		30,293,000	23,904,842
thereof blocked by projects		5,032,148	3,836,301
thereof fully disposable		25,260,852	20,068,541

# Notes

## 1. General information

The Swiss Tropical and Public Health Institute (Swiss TPH) is a public organisation based in Basel (Switzerland) with its own legal status under the laws of Switzerland (“öffentlich-rechtliche Anstalt”).

By uniquely combining research, services and education and training, Swiss TPH aims to improve the health and well-being of populations through a better understanding of disease and health systems and by acting on this knowledge. Our translational approach, from innovation and validation to application, enables us to bring novel diagnostics, treatments and vaccines directly to people and communities. On 1 January 2017, the treaty between the Canton Basel-Stadt and the Canton Basel-Landschaft concerning the common ownership of the Swiss TPH came into force.

## 2. Organisation and Governance

### Board of Governors

The board of Governors is called the “Kuratorium”. Its members and its president are appointed by the Government of Canton Basel-Stadt and the Canton of Basel-Landschaft. The actual members of the Kuratorium are:

Dr. Andreas Burckhardt **Chairman**

Dr. Ariane Bürgin (as of 1 July 2019)

Prof. Dr. med. François Chappuis

Prof. Dr. Sabina De Geest

Dr. Doris Fellenstein Wirth

PD Dr. Monika Wenk

Mr. Joakim Rügger (until 30 June 2019)

Dr. med. Cornelia Staehelin

Prof. Dr. Didier Trono

Mr. Christoph Tschumi

### Committee

The Committee monitors the financial and accounting processes and systems of Swiss TPH, evaluates the independence and effectiveness of the external auditors and ensures the flow of communication between the Directorate, the administration, auditors, and the Board of Governors. The Committee makes appropriate recommendations to the Board of Governors.

### The actual members are:

Dr. Andreas Burckhardt **Chairman**

Dr. Ariane Bürgin (as of 1 July 2019)

Dr. Doris Fellenstein Wirth

Mr. Joakim Rügger (until 30 June 2019)

Mr. Christoph Tschumi

### Auditor

PricewaterhouseCoopers AG, Basel has been assigned by the Governments of the Cantons Basel-Stadt and Basel-Landschaft as the auditor of Swiss TPH.

## 3. Basis of preparation and accounting policies

### Accounting Standard

These financial statements have been prepared in accordance with the Swiss GAAP FER issued by the foundation for accounting and reporting recommendation, Switzerland.

### Currency

Swiss TPH presentation currency is CHF (Swiss francs).

### Foreign currency transactions

Assets and liabilities in foreign currency are valued at the closing rate at the balance sheet date or at the donor’s stipulated rate. Foreign currency transactions are recorded on initial recognition in the functional currency at the transaction rate. Exchange rate differences are recognised in the income statement.

### Revenue recognition

Revenue from rendering medical services and fees from teaching and training are recognised in the period of providing those services. Revenue from projects is recognised to the extent of the recoverable expenses of the reporting period. Project results are neutralised during the project period, an eventual result is realised at the end of the project. Funds from national and local government are recognised in the period for which they were funded.

### Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

### Property, plant and equipment

Core tangible fixed assets items are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated lifetime, using the straight-line method. The following annual rates are used for depreciation of property, plant and equipment.

Asset category	Annual depreciation rate	Useful life in years
Land	0.00%	-
Buildings Basel	3.00%	33.33
Building installations Basel	5.00%	20.00
Furnishings	10.00%	10.00
Laboratory equipment	12.50%	8.00
Medical equipment	20.00%	5.00
Offices machines, communication systems	20.00%	5.00
Vehicles	20.00%	5.00
Tools, utensils	10.00%	10.00
Hardware	25.00%	4.00
Collections, books, movies	10.00%	10.00
Assets in leasing	depending on contracts	

Fixed assets at costs less than CHF 5,000 are not capitalised.

Fixed assets purchased with projects funds for the purpose of project operations are not capitalised as the ownership of these assets remains with the donor.

The capitalisation of maintenance costs depends on if they are value-preserving or value-adding respectively extending the useful life of the respective fixed asset.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

### Long-term financial assets

Employer contribution reserves or similar items are recognised as assets under long-term financial assets. The difference to the respective value of the prior year is recognised as personnel expenses in the result of the period.

### Intangible assets

Intangible assets are purchased computer software that is measured at cost less accumulated amortisation and any accumulated impairment losses. It is amortised over its estimated useful life time of four years using the straight-line method.

### Inventories

Inventories are valued at the lower of cost and selling price. Cost is calculated using the average-method.

### Impairment of assets

At each reporting date, fixed and intangible assets are reviewed to determine whether they have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount. An impairment loss is recognised immediately in the income statement.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying account of each inventory item with its selling price less costs to complete and sell. If an item of inventory is impaired, an impairment loss is recognised immediately in the income statement.



If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

### Receivables

The size of impairments in receivables is considered as the difference between the carrying amount of the assets and the present value of the expected future cash flow. The provision for bad debts is calculated by categorising the debts as follows:

Due amount	Days past due	Provision
< CHF 30,000	> 0	2%
> CHF 30,000	1 - 90	2%
> CHF 30,000	91 - 180	15%
> CHF 30,000	181 - 270	30%
> CHF 30,000	271 - 360	50%
> CHF 30,000	> 360	100%

### Payables

Payables are recorded at their fair value, represented by the amount to pay.

### Provisions

Provisions are determined based on impartial and economically reasonable principals. Risks are taken into account adequately.

## 4. Notes on the financial statement

### 4.1 Cash and cash equivalents

	2019 CHF	2018 CHF
Cash in hand	55,614	86,056
Post accounts	1,875,988	575,618
Bank accounts	23,329,250	19,406,867
Cash and cash equivalents projects abroad	5,032,148	3,836,301
Bank accounts in Basel	3,090,349	2,295,684
Cash in hand	157,635	26,274
Bank accounts abroad	1,784,163	1,514,343
<b>TOTAL</b>	<b>30,293,000</b>	<b>23,904,842</b>

In 2019, the cash and cash equivalents increased over 25% by CHF 6.4 Million, reflecting a solid project pipeline and the trend of project sponsors to pre-finance projects. It also includes the

accumulated cash due to the long term deferred income in relation to the new building (CHF 2.5 Million).

### 4.2 Receivables from services

	Foreign currency	2019 CHF	Exchange rate	Foreign currency	2018 CHF	Exchange rate
Open positions in CHF		13,318,642			8,526,623	
Open positions in USD	1,739,112	1,684,111	0.97	3,037,215	2,994,038	0.99
Open positions in EUR	254,526	276,670	1.09	351,829	396,476	1.13
Open positions in AUD	0	0		0	0	
Open positions in GBP	500	641	1.28	19,221	24,133	1.26
Receivables from medical and diagnostic services		458,288			365,852	
Medical services		103,947			113,594	
Diagnostics		354,341			252,258	
<b>TOTAL</b>		<b>15,738,352</b>			<b>12,307,122</b>	

**4.3 Other short-term receivables**

	2019 CHF	2018 CHF
Staff advances	84,476	77,211
Advances for project activities	2,717,411	2,077,439
Withholding tax	13,378	20,979
Basel based rent deposits	55,900	55,877
Advances Helvetia BVG	1,633,072	1,444,834
Other receivables	84,500	8,288
<b>TOTAL</b>	<b>4,588,737</b>	<b>3,684,628</b>

**4.4 Provision for bad debts**

	Provision in %	Amount CHF	2019 Provision CHF	Provision in %	Amount CHF	2018 Provision CHF
<b>Amounts due &gt; CHF 30,000</b>						
1 – 90 days	2%	2,235,377	33,907	2%	849,355	6,810
90 – 180 days	15%	61,972	71	15%	367,292	0
180 – 270 days	30%	0	0	30%	45,661	0
270 – 360 days	50%	148,334	74,167	50%	48,085	0
> 360 days	100%	51,983	51,983	100%	51,983	51,983
<b>Amounts due &lt; CHF 30,000</b>						
> 0 days	2%	1,581,275	31,626	2%	1,706,890	34,138
<b>TOTAL</b>			<b>191,754</b>			<b>92,931</b>
<b>Provision for bad debts [rounded]</b>			<b>191,800</b>			<b>92,900</b>

Payments up to 17 February 2020 are included in the calculation.

**4.5 Prepayments and accrued income**

	2019 CHF	2018 CHF
Accrued income projects	3,549,357	4,030,751
Overhead contribution for SNSF projects	513,608	541,415
Accounts paid in advance	282,733	1,595,640
<b>TOTAL</b>	<b>4,345,698</b>	<b>6,167,806</b>

**4.6 Inventories**

	2019 CHF	2018 CHF
Vaccines	233,888	126,912
Stock Information Technology	119,353	85,476
<b>TOTAL</b>	<b>353,241</b>	<b>212,388</b>

## Financial Report 2019

### 4.7 Tangible and intangible assets

	Land and Buildings without CIP	Construc- tion in pro- gress [CIP]	Land and Buildings	Laboratory equipment	Other equipment	Finance leases	Equipment
<b>Tangible Assets</b>							
<b>Net carrying amount</b>							
1 January 2018	7,037,736	1,306,800	8,344,536	847,896	549,270	0	1,397,166
<b>Cost</b>							
1 January 2018	10,964,172	1,306,800	12,270,972	3,818,893	2,583,061	393,320	6,795,274
Additions	51,186	0	51,186	377,059	227,604	0	604,663
Reclassifications	0	-1,306,800	-1,306,800	0	0	0	0
Disposals	0	0	0	-84,697	-144,157	0	-228,854
<b>31 December 2018</b>	<b>11,015,358</b>	<b>0</b>	<b>11,015,358</b>	<b>4,111,255</b>	<b>2,666,508</b>	<b>393,320</b>	<b>7,171,083</b>
<b>Accumulated depreciation</b>							
1 January 2018	3,926,436	0	3,926,436	2,970,997	2,033,791	393,320	5,398,108
Annual depreciation	783,858	0	783,858	269,516	291,980	0	561,496
Impairment	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Disposals	0	0	0	-70,292	-144,157	0	-214,449
<b>31 December 2018</b>	<b>4,710,294</b>	<b>0</b>	<b>4,710,294</b>	<b>3,170,221</b>	<b>2,181,614</b>	<b>393,320</b>	<b>5,745,155</b>
<b>Net carrying amount</b>							
<b>31 December 2018</b>	<b>6,305,064</b>	<b>0</b>	<b>6,305,064</b>	<b>941,034</b>	<b>484,894</b>	<b>0</b>	<b>1,425,928</b>
<b>Net carrying amount</b>							
1 January 2019	6,305,064	0	6,305,064	941,034	484,894	0	1,425,928
<b>Cost</b>							
1 January 2019	11,015,359	0	11,015,358	4,111,255	2,666,508	393,320	7,171,083
Additions	0	0	0	330,475	39,671	0	446,354
Reclassifications	0	0	0	0	0	0	0
Disposals	0	0	0	0	-32,474	0	-32,474
<b>31 December 2019</b>	<b>11,015,359</b>	<b>0</b>	<b>11,015,358</b>	<b>4,441,730</b>	<b>2,673,705</b>	<b>393,320</b>	<b>7,584,963</b>
<b>Accumulated depreciation</b>							
1 January 2019	4,710,294	0	4,710,294	3,170,221	2,181,614	393,320	5,745,155
Annual depreciation	799,084	0	799,084	212,909	215,831	0	428,740
Impairment	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Disposals	0	0	0	0	-21,100	0	-21,100
<b>31 December 2019</b>	<b>5,509,378</b>	<b>0</b>	<b>5,509,378</b>	<b>3,383,130</b>	<b>2,376,345</b>	<b>393,320</b>	<b>6,152,795</b>
<b>Net carrying amount</b>							
<b>31 December 2019</b>	<b>5,505,981</b>	<b>0</b>	<b>5,505,980</b>	<b>1,058,601</b>	<b>297,360</b>	<b>0</b>	<b>1,432,168</b>

The new building “Belo Horizonte” is being constructed in Allschwil (Basel-Landschaft) and will be ready by the end of 2021. With the move of Swiss TPH to Allschwil, the buildings at the actual headquarter at Socinstrasse will be abandoned and with it the building installation re-

flected in the tangible assets. Therefore, additional yearly CHF 0.9 million of depreciation for building installations started in 2015, adjusting the remaining useful time until end of 2021.

Total without Projects	Projects	Total tangible assets	Intangible assets	Software	Software work in progress	Total intangible assets	Total Fixed assets register
9,741,702	0	9,741,702		879,959	58,571	938,530	10,680,232
19,066,246	3,511,019	22,577,265		1,561,436	58,571	1,620,007	24,197,272
655,849	337,060	992,909		105,864	88,614	194,478	1,187,387
-1,306,800	0	-1,306,800		0	0	0	-1,306,800
-228,854	-220,746	-449,600		-90,559	0	-90,559	-540,159
<b>18,186,441</b>	<b>3,627,333</b>	<b>21,813,774</b>		<b>1,576,741</b>	<b>147,185</b>	<b>1,723,926</b>	<b>23,537,701</b>
9,324,544	3,511,019	12,835,563		681,477	0	681,477	13,517,040
1,345,354	318,167	1,663,521		324,709	0	324,709	1,988,230
0	0	0		0	0	0	0
0	0	0		0	0	0	0
-214,449	-201,853	-416,302		-61,389	0	-61,389	-477,691
<b>10,455,449</b>	<b>3,627,333</b>	<b>14,082,782</b>		<b>944,797</b>	<b>0</b>	<b>944,797</b>	<b>15,027,579</b>
7,730,992	0	7,730,992		631,944	147,185	779,129	8,510,121
7,730,992	0	7,730,992		631,944	147,185	779,129	8,510,122
18,186,441	3,627,333	21,813,775		1,576,741	147,185	1,723,926	23,537,700
446,354	124,619	570,972		25,011	67,045	92,056	663,029
0	0	0		0	0	0	0
-32,475	0	-32,474		0	0	0	-32,474
<b>18,600,320</b>	<b>3,751,952</b>	<b>22,352,273</b>		<b>1,601,752</b>	<b>214,230</b>	<b>1,815,982</b>	<b>24,168,255</b>
10,455,449	3,627,333	14,082,782		944,797	0	944,797	15,027,578
1,227,824	124,619	1,352,443		307,076	0	307,076	1,659,519
0	0	0		0	0	0	0
0	0	0		0	0	0	0
-21,100	0	-21,100		0	0	0	-21,100
<b>11,662,173</b>	<b>3,751,952</b>	<b>15,414,124</b>		<b>1,251,873</b>	<b>0</b>	<b>1,251,873</b>	<b>16,665,997</b>
6,938,147	0	6,938,148		349,879	214,230	564,109	7,502,257

## Financial Report 2019

Fire insurance value	2019 CHF	2018 CHF
<b>Property plant</b>		
"Gebäuderversicherung des Kantons Basel-Stadt, Socinstr. 57, Basel"	9,261,000	9,240,000
Index	137.00	136.70
<b>Equipment</b>		
"Police 3.233.381 - AXA Winterthur Insurance (from 01.09.2011)"	<b>13,000,000</b>	<b>13,000,000</b>

### Investments > CHF 5,000 with project funds (not capitalised)

The ownership of investments paid with project funds generally remains with the donor. Therefore, these investments are not capitalised but recorded in the fixed assets register and disclosed:

#### 2019

No	Project	Item	Purchase of date	Value in CHF
532	BMGF Gates combination chemoth.	3 Diff Hematology Analyzer	01.02.19	5,744
535	SNF Sinergia GHI/EPFL	Biorack 4800 + Roller Base	01.02.19	6,967
537	SDC JOHI, Ethiopia	Trimble R2	01.02.19	13,272
538	MMV Medicine for Malaria	MACSQuant Analyzer	05.03.19	10,000
543	Genotyping	Biometra Tone 96 Gradient (2 Stück)	01.08.19	12,843
544	SNF/UniBs Eccellenza	Miniamp Thermal Cycler	01.09.19	14,400
545	Diverse LS90	Seqstudio Smartst	01.09.19	15,373
551	Genotyping	Synergy H1M Multi-Detection	22.11.19	33,818
552	Emergency IFA	Mindray M7 Adv. Portable Ultrasound Machine	10.12.19	12,202
<b>TOTAL Additions</b>				<b>124,619</b>
No Disposals				0
<b>TOTAL Disposals</b>				<b>0</b>
<b>TOTAL</b>				<b>124,619</b>

#### 2018

No	Project	Item	Purchase of date	Value in CHF
484	Strategische Projekte und Forschung MED	Sono Book 9 Main unit	03.01.18	18,154
493	SDC JOHI, Ethiopia 10.15 - 09.20	Leica DM1000 LED + Zubehör	23.01.18	12,135
500	MMV GAM 07.17 - 12.18	SuperMACS II Separator	14.02.18	14,970
502	KfW MTN/NTD Phase I 15.09.17 - 14.08.21	Toyota Prado TX-L 4 x 4 2986 CC DSL 5P	22.02.18	44,494
508	SDC JOHI, Ethiopia 10.15 - 09.20	QS5 0.2ML QPCR System Tower	04.07.18	42,723
509	CDC Brucellosis 07.17 - 07.22	Microplate Multiskan FC	06.07.18	7,791

510	eFASH 06.18 – 12.20	SonoBook 9 Main unit	20.07.18	19,675
513	SNF R4D – Opisthorchis in Laos 3.17 – 02.20	Mindray Ultraschallgerät Z6	24.07.18	14,434
514	MCDI EGMVI 01/15 – 12/18	Centrifuge 5427 RG	14.08.18	6,018
515	SDC JOHI, Ethiopia 10.15 – 09.20	Hettich Centrifuge Mikro + Aerosol	25.07.18	5,479
516	SBFI ZIK 10.16 – 09.20	App based tourist monitoring and daily survey	03.08.18	16,209
517	SBFI ZIK 10.16 – 09.20	App based tourist monitoring and daily survey	31.01.18	29,430
518	MCDI EGMVI 01/15 – 12/18	CFX96 Touch Real-Time PCR Detection Sys	13.09.18	32,202
520	BAFU LUDOK 06.18 – 12.21	PROD-Server für Core- und Public-Komponente	01.09.18	8,500
523	SNF (NZX1620) PIN 10.16 – 09.19	Nucleofector 2b Device, EA	01.12.18	18,557
525	Pfizer Adult vacci CA	Mastercycler nexus gradient	01.12.18	7,886
528	MMV Medicine for Malaria	Belüfteter Schrank Bio-C36	01.12.18	13,718
529	SNF Oliver Balmer 01.17 – 12.19	Mastercycler nexus X2e	01.12.18	5,791
<b>TOTAL Additions</b>				<b>318,166</b>
No Disposals				0
<b>TOTAL Disposals</b>				<b>0</b>
<b>TOTAL</b>				<b>318,166</b>

**4.8 Long-term financial assets**

	2019	2018
	CHF	CHF
Employer contribution reserves of the pension fund (refer also to note 4.8)	62,536	62,536
<b>TOTAL</b>	<b>62,536</b>	<b>62,536</b>

**4.9 Mortgages**

	2019	2018
	CHF	CHF
<b>Mortgages in favour of third parties</b>		
Building Socinstrasse 57		
Liens registered in the land register	4,400,000	4,400,000
Claimed liens	2,400,000	2,400,000
<b>Long-term payables</b>		
BKB, 29.04.2011 – 29.04.2021	1,000,000	1,000,000
BKB, 29.04.2013 – 29.04.2019	0	500,000
Carrying amount (Land and buildings, refer to note 4.7)	5,505,980	6,305,064

**4.10 Accrued liabilities and deferred income**

	2019 CHF	2018 CHF
Projects	37,277,803	33,956,952
Swiss National Science Foundation Projects - Overhead	463,248	296,167
Provision for Audit PwC	77,239	43,529
Overtime to be paid in the following year	40,409	26,606
Employer's liability insurance	4,349	3,247
Extraordinary compensations paid in the following year	98,000	0
Other accrued liabilities	69,395	1,626,448
<b>TOTAL</b>	<b>38,030,443</b>	<b>35,952,949</b>

Based on the accounts at the end of the year, the project leaders evaluated the accrued revenues and expenses (cost to complete) for their projects. These evaluations were taken into consideration by the Directorate on the occasion of the approv-

al of the financial statement. All of the project related deferred incomes are sustained based on an existing project contract. At the moment, there is no indication for any losses from long-term projects, which would need to be recognised.

**4.11 Short-term provisions**

	Not compensated vacation	SDC MEP Procurement of Equipment	SDC PADS Procurement of Motorbikes	Insolvency Tojik Bank Tajikistian	Research fund	Total
<b>Changes of provisions</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>
Carrying amount as per 01.01.2018	1,084,394	0	0	0	63,420	1,147,814
Creation	30,261	0	0	30,000	83,289	143,550
Utilization	-74,476	0	0	0	0	-74,476
<b>Carrying amount as per 31.12.2018</b>	<b>1,040,179</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>146,709</b>	<b>1,216,888</b>
Carrying amount as per 01.01.2019	1,040,179	0	0	30,000	146,709	1,216,888
Creation	146,333	90,000	120,000	30,000	16,710	403,043
Utilization	-10,661	0	0	0	0	-10,661
<b>Carrying amount as per 31.12.2019</b>	<b>1,175,851</b>	<b>90,000</b>	<b>120,000</b>	<b>60,000</b>	<b>163,419</b>	<b>1,609,270</b>

Due to irregularities identified in the procurement of equipment in the SDC project "Medical Education Reform Project" (MEP) in Tajikistan, a provision of CHF 90,000 was accrued for the additional costs that may occur.

The bank in Tajikistan holding SDC funding in the amount of CHF 60,000 for the MEP faced liquidity shortages. The remaining funds were promised to be paid out in limited tranches on a weekly basis – the bank did not comply with this promise in 2019 and the remaining CHF 30,000 is expected to be lost.

Significant irregularities and a confirmed fraud attempt committed by the supplier in the procurement process of motorcycles in the SDC project "Programme d'Appui aux Districts Sanitaires" PADS in Chad foresee a potential damage of CHF 120,000.

The research provision was accrued by CHF 16,710 due to the internal regulations for the Research Fund.



**4.12 Other non current liabilities**

	2019	2018
	<b>CHF</b>	<b>CHF</b>
Swiss National Science Foundation Projects - Overhead (long term)	791,908	434,626
<b>TOTAL</b>	<b>791,908</b>	<b>434,626</b>

The total overhead contribution of the Swiss National Science Foundation (SNSF) is paid in the year of grant allocation. The provision allows the use of the contribution during the whole

project period. A considerable increase of SNSF funded projects in 2019 led to a high increase in provisions.

**4.13 Long-term provisions and deferred income subsidies**

	Funds for collabora- tors in case of Hardship	Potential taxes abroad	End of contract payments	Belo Hori- zonte	Total
	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>
<b>Changes of provisions and deferred income subsidies</b>					
Carrying amount as per 01.01.2018	500,000	1,077,072	69,326	3,200,000	4,846,398
Creation	0	247,822	25,650	2,500,000	2,773,472
Utilization	0	-169,370	-52,700	0	-222,070
<b>Carrying amount as per 31.12.2018</b>	<b>500,000</b>	<b>1,155,524</b>	<b>42,276</b>	<b>5,700,000</b>	<b>7,397,800</b>
Carrying amount as per 01.01.2019	500,000	1,155,524	42,276	5,700,000	7,397,800
Creation	0	198,181	51,196	2,500,000	2,749,377
Utilization	0	-36,043	-3,330	0	-39,373
<b>Carrying amount as per 31.12.2019</b>	<b>500,000</b>	<b>1,317,662</b>	<b>90,142</b>	<b>8,200,000</b>	<b>10,107,804</b>

According to the decision made at the Directorate's meeting (17 October until 19 October 2006), a provision of CHF 500,000 for personnel or their dependants in case of hardship was created. The disposition of fund means is defined in the fund regulations.

The provision for potential taxes abroad is created for those countries where expatriate or local Swiss TPH staff are possibly supposed to pay income taxes.

According to local labour law in various project countries such as the Democratic Republic of the Congo, Albania or Rwanda, end of contract payments are to be borne by the employer.

Swiss TPH committed to cover CHF 10,000,000 of the investments costs of the new building "Belo Horizonte". For this purpose, this amount will be accrued in the period of 2017 – 2020.

**4.14 Self-managed income from research, education, services**

	2019	2018
	<b>CHF</b>	<b>CHF</b>
<b>As per activity</b>		
Medical services	5,252,940	4,822,365
Education	2,309,700	2,092,830
Research	25,560,438	24,900,883
Services	36,233,696	33,466,103
<b>TOTAL</b>	<b>69,356,774</b>	<b>65,282,181</b>

#### 4.15 Core contributions national and local government

In addition to the income generated competitively through research and services, Swiss TPH receives funding from the local and the national government:

	2019 CHF	2018 CHF
Canton Basel-Landschaft	3,630,000	3,630,000
Subsidies	3,630,000	3,630,000
Canton Basel-Stadt	3,630,000	3,630,000
Subsidies	3,630,000	2,000,000
Subsidies Swisslos Fonds Basel-Stadt	0	1,630,000
University of Basel	6,600,429	6,860,759
Structural professorships	6,040,000	6,040,000
Matching funds for SNSF-Projects	213,902	204,731
Overhead contribution for SNSF-Projects	346,527	616,028
Swiss National Government	6,237,400	6,015,600
Swiss National Government (leading house activities)	1,750,000	1,500,000
<b>Subtotal</b>	<b>21,847,829</b>	<b>21,636,359</b>
Deferred income new building Belo Horizonte	-2,500,000	-2,500,000
<b>TOTAL</b>	<b>19,347,829</b>	<b>19,136,359</b>

According to the decision made by the local government of the canton Basel-Landschaft “Landrat des Kantons Basel-Landschaft” on 17 December 2015, for the period of 2017 – 2020, subsidies of a total of CHF 14,520,000 are granted as follows:

2017 CHF	2018 CHF	2019 CHF	2020 CHF
<b>3,630,000</b>	<b>3,630,000</b>	<b>3,630,000</b>	<b>3,630,000</b>

According to the decision made by the local government of the canton Basel-Stadt “Grosser Rat des Kantons Basel-Stadt” on 3 February 2016, for the period of 2017 – 2020 subsidies of a total of CHF 11,260,000 are granted as follows:

2017 CHF	2018 CHF	2019 CHF	2020 CHF
<b>2,000,000</b>	<b>2,000,000</b>	<b>3,630,000</b>	<b>3,630,000</b>

According to the decision made by the local government of the canton Basel-Stadt “Regierungsrat des Kantons Basel-Stadt” on 30 June 2015, for the period of 2017 – 2018 a start-up financing (Anschubsfinanzierung) of a total of CHF 3,260,000 is given by the Swisslos-Fund.

2017 CHF	2018 CHF
<b>1,630,000</b>	<b>1,630,000</b>

Within the scope of the inter-cantonal contract concerning the common ownership of the University of Basel between the cantons of Basel-Stadt and Basel-Landschaft, Swiss TPH was granted a contribution of CHF 6,040,000 (2018: CHF 6,040,000) for the period of 2019 for structural professorships and teaching activities within the curriculum of the University of Basel. In 2019, CHF 213,902 (2018: CHF 204,731) was credited as matching funds for SNSF projects and the amount of CHF 346,527 (2018: CHF 616,028) as share of SNSF-overhead contribution.

The Swiss Federal Council granted Swiss TPH CHF 25,000,000 for scientific activities in the period of 2017 – 2020. The amount 2018 was reduced by 3% from CHF 6,201,500 to CHF 6,015,600 due to an inflation adjustment in order to be in line with the debt break as decided by the Swiss Parliament. The amount 2020 will also be reduced by 3% from CHF 6,327,800 to CHF 6,140,900.

Under condition of the yearly budget approval by the Swiss Parliament, Swiss TPH will receive the following amounts:

2017 CHF	2018 CHF	2019 CHF	2020 CHF
<b>6,233,300</b>	<b>6,015,600</b>	<b>6,237,400</b>	<b>6,140,900</b>

As a founding member of the Centre Suisse de Recherches Scientifiques en Côte d'Ivoire (CSRS) and the Ifakara Health Institute (IHI) in Tanzania, Swiss TPH acts as the leading house on behalf of the State Secretariat for Education and Research (SERI) and administers CHF 500,000 for each of these institutions.

Swiss TPH committed to cover CHF 10,000,000 of the investments costs of the new building "Belo Horizonte". For this purpose this amount will be accrued over the period of 2017 – 2020.

#### 4.16 Other operating income

	2019 CHF	2018 CHF
<b>As per activity</b>		
Medical Services	122,855	48,158
Education	302,942	767,350
Research	957,384	1,231,111
Services	649,664	290,534
<b>TOTAL</b>	<b>2,032,845</b>	<b>2,337,153</b>

Other operating income is income which is not related directly to grant and project contracts

such as royalties, consultancies, cafeteria, reimbursed travel cost, etc.

#### 4.17 Change in unbilled services

	2019 CHF	2018 CHF
<b>As per activity</b>		
Medical Services	0	0
Education	-19,552	36,528
Research	-931,499	-279,468
Services	536,793	102,043
<b>TOTAL</b>	<b>-414,258</b>	<b>-140,897</b>

**4.18 Personnel expenses**

	2019	2018
	CHF	CHF
<b>As per nature</b>		
Salaries	35,671,143	35,624,678
Allowances	1,519,106	1,712,258
Social insurance	5,051,206	4,894,459
Consultancies	4,798,822	3,503,993
Recruiting	16,179	9,210
Continuous education	1,255,905	1,245,405
Travel expenses	2,651,087	2,682,984
Other personal costs	535,530	567,921
<b>TOTAL</b>	<b>51,498,978</b>	<b>50,240,908</b>

As reported in the income statement, Swiss TPH recorded its employee benefits in the line Personnel expenses.

All expenses and costs are recognised in the income statement. In respect of accruals for overtime and vacation please refer to note 4.10 and 4.11.

**Pension funds**

Swiss TPH's pension plan is a pension scheme according to the federal law on occupational pension schemes (BVG) and is part of the "Helvetia Sammelstiftung für Personalvorsorge", contract number 30935. The funding consists of employers' contributions, employees' contributions, and

of an annual interest (1% since 1 January 2017). This pension plan is part of a collective plan with reinsurance arrangements (full insurance within the framework of a collective insurance contract), the pension institution is not the risk bearer and therefore no additional payment obligations can arise in case of a deficit.

**Personnel expenses**

	2019	2018
	CHF	CHF
<b>Pension benefit expenses</b>		
Helvetia Sammelstiftung (Employer contribution)	2,107,393	2,070,471
Economic impact of the pension fund	0	0
<b>TOTAL</b>	<b>2,107,393</b>	<b>2,070,471</b>

Employer contribution reserves of the pension fund (refer also to note 4.8)	62,536	62,536
<b>TOTAL</b>	<b>62,536</b>	<b>62,536</b>

**Compensation**

	2019	2018
	CHF	CHF
<b>Board of Governors (Kuratorium)</b>		
Members of the Board of Governors (CHF; expenses)	600	300
Heads	9	9

No compensation is paid to the Board of Governors. Only defined trip allowances and boarding costs are paid.

<b>Directorate salaries</b>		
Members of the Directorate (CHF; salaries only)	1,365,031	1,369,196
Heads	7	7
FTE	7.0	7.0

Expenses to the Directorate are paid according to the Manual for Employees.

<b>4.19 Material expenses</b>	2019 CHF	2018 CHF
<b>As per nature</b>		
"Investments > CHF 5,000 with project funds [not capitalised]"	124,619	318,167
Equipment < CHF 5,000	1,105,339	747,353
Consumables	2,643,110	2,639,214
Documentation	5,212	8,775
Periodical publications	23,749	25,420
Books	15,469	24,404
<b>TOTAL</b>	<b>3,917,498</b>	<b>3,763,333</b>

<b>4.20 Administrative expenses</b>	2019 CHF	2018 CHF
<b>As per nature</b>		
Informatics	1,074,157	1,052,099
Office material, printed matters	302,964	303,933
Phone, fax, internet	235,120	261,184
Postage	192,752	162,689
Audit fees Headquarters	79,698	74,313
Audit fees projects	112,846	48,655
Consultancy fees	949,580	638,130
Expenses meetings, guests, seminars	1,561,212	1,341,493
Donations, fees	550,650	617,312
<b>TOTAL</b>	<b>5,058,979</b>	<b>4,499,808</b>

## Financial Report 2019

### 4.21 Other operating expenses

	2019	2018
	CHF	CHF
<b>As per nature</b>		
Maintenance and rent	1,987,746	2,029,199
Maintenance, repair of equipment	483,867	380,020
Vehicle costs	3,986	7,572
Insurance	105,303	104,128
Energy, disposal	448,800	451,542
Marketing and PR	121,191	130,081
Project expenditures abroad	25,145,109	23,672,636
<b>TOTAL</b>	<b>28,296,002</b>	<b>26,775,178</b>

#### Project expenditures abroad by donors

SDC (Swiss Agency for Development and Cooperation)	16,235,379	15,970,052
CHAI (Clinton Health Access Initiative)	1,544,049	1,130,159
Swiss TPH (Institutional Projects)	1,231,766	1,131,623
Cordaid (Catholic Organisation for Relief & Development Aid)	1,179,007	831,557
GF (Global Fund to Fight AIDS, Tuberculosis and Malaria)	1,137,104	1,225,070
SNSF (Swiss National Science Foundation)	1,040,124	919,691
Other	909,365	1,278,225
BMGF (Bill and Melinda Gates Foundation)	323,875	155,350
KfW (Kreditanstalt für Wiederaufbau)	177,280	168,518
VBS (Eidgenössisches Departement für Verteidigung, Bevölkerungsschutz und Sport)	160,309	0
WHO (World Health Organisation)	157,483	0
University of Heidelberg	137,172	0
PMU (University Medical Polyclinic Lausanne)	131,444	0
Unicef (United Nations Children's Fund)	90,294	0
GAVI (The Vaccine Alliance)	86,930	208,445
FIND Geneva	70,246	0
Merck KGaA	63,382	261,395
Botnar Foundation	53,802	0
Liverpool School of Tropical Medicine	51,347	119,971
Medicor Foundation Liechtenstein	49,792	0
University of Basel	48,215	0
UBS Optimus Foundation	48,036	59,538
Novartis Foundation Basel	47,155	0
Stanley Thomas Johnson Foundation	45,017	0
SIBB (STIFTUNG für INFEKTIOLOGIE beider Basel)	43,024	0
Vontobel-Stiftung Zürich	42,556	126,638
DNDi (Drugs for Neglected Diseases <i>initiative</i> )	40,957	86,405
<b>TOTAL</b>	<b>25,145,109</b>	<b>23,672,636</b>

Please note: A donor is listed if more than CHF 40,000 is expensed in 2019.

#### Project expenditures abroad by geographical regions

Southern Africa	78,604	50,257
Eastern Africa	4,726,502	5,697,380
Western Africa	2,083,987	2,091,952
Middle Africa	5,442,266	7,852,660
<b>Africa</b>	<b>12,331,359</b>	<b>15,692,249</b>

	2019 CHF	2018 CHF
<b>Project expenditures abroad by geographical regions</b>		
Southern Asia	43,078	29,505
South-Eastern Asia	145,868	129,163
Central Asia	1,841,910	1,655,253
Western Asia	4,696	29,562
<b>Asia</b>	<b>2,035,552</b>	<b>1,843,483</b>
Eastern Europe	8,869,866	5,391,150
Western Europe	1,748,748	447,475
<b>Europe</b>	<b>10,618,614</b>	<b>5,838,625</b>
South America	95,191	59,539
Central America	64,393	238,740
<b>Latin America and the Caribbean</b>	<b>159,584</b>	<b>298,279</b>
<b>Project expenditures abroad</b>	<b>25,145,109</b>	<b>23,672,636</b>

#### 4.22 Financial result

	2019 CHF	2018 CHF
<b>Financial income</b>		
Interests on Bank- and Post accounts	24	57
Interests on fixed deposits and call money	38,224	58,529
Other interests	0	6
Exchange rate differences (gains)	77,321	300,299
<b>Subtotal</b>	<b>115,569</b>	<b>358,891</b>
<b>Financial expenses</b>		
Card fees	-10,849	-11,471
Bank accounts fees	-33,168	-33,784
Interest on mortgages	-34,417	-39,542
Interest on arrears	-1,271	-3,599
Other interests	-3,830	-1,839
Exchange rate differences (losses)	-254,004	-196,313
Miscellaneous	-14	-2
<b>Subtotal</b>	<b>-337,553</b>	<b>-286,550</b>
<b>TOTAL Financial result</b>	<b>-221,983</b>	<b>72,341</b>

## 5. Related party transactions

The purpose of the Rudolf Geigy Foundation is to support Swiss TPH in different projects. The following list shows the granting of funds:

<b>Granting of Funds</b>	2019 <b>CHF</b>	2018 <b>CHF</b>
<b>Malaria funds</b>		
Scientific collaboration Tanzania and Côte d'Ivoire	502,412	400,000
T. Smith, Impact system failures in Africa	0	80,450
D. Rodriguez, PhD Impact of malaria interventions, Papua New Guinea	0	30,000
L. Hofer, malaria - insect. resistance mosquitos	56,100	56,100
J. Malinga, PhD, Estimating consequences of heterogeneity in malaria dyn	0	10,300
<b>Subtotal</b>	<b>558,512</b>	<b>576,850</b>
<b>General funds</b>		
HCTMC, Scholarships	41,000	51,000
Support Swiss TPH, rent reduction	150,000	150,000
Support Swiss TPH, gardening costs	10,000	10,000
Further education	3,512	0
Unterstützung Projekt VapaGuide	125,000	0
A. Knoblauch, Project with Drones Madagascar	26,904	0
H. Greter, Schistoproject Lake Tchad	0	21,900
A. Gamell, PhD thesis	0	425
Ch. Schmid, PostDoc	0	6,000
A. de Soyres-Kümmerle, Pharmacovigilance in rural TZ and in Africa	0	65,700
M. Berger de W. Zoonotic diseases in Maya communities in Guatemala	0	30,000
G. Cissé, Sabbatical in Australia 2018	0	63,000
<b>Subtotal</b>	<b>356,416</b>	<b>398,025</b>
<b>Total</b>	<b>914,928</b>	<b>974,875</b>

For the year 2019, Swiss TPH paid a rental fee of CHF 783,720 for the buildings owned by the Rudolf Geigy Foundation.

## 6. Risk assessment

Swiss TPH actively manages its risks related to the financial statement. A yearly risk assessment considers the probability of occurrence and the severity of damages of the identified risks and appropriate measures are defined. The risk assessment is performed by the Directorate and then subsequently reviewed and approved by the Board of Governors.

## 7. Approval of financial statements

These financial statements were prepared and approved by the management of Swiss TPH as representatives of the Board of Directors. They are subject to final approval by the Board of Governors (Kuratorium) on 14 May 2020.



## 8. Subsequent events after the balance sheet date

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections in Switzerland and worldwide in the countries where Swiss TPH carries out research and operations. Measures taken by governments to contain the virus have affected the Swiss TPH activities in research, services and education and training in many ways:

- The limitation of assembly of people resulted in the requirement for all employees to work from home with the initial effect of reduction in productivity.
- The travel clinic was closed due to limitation of assembly of people and to restricted travel, resulting in a heavy drop in demand and turnover. The medical staff was transferred to the University Hospital in Basel to support the COVID-19 clinic, which mitigated the financial risk to a certain extent.
- The diagnostic unit experienced a drop in demand of up to 50% due to the lockdown and limitation of ordinary medical consultations of private medical practitioners. Additional diagnostic activities were identified and launched in the field of COVID-19 antibody testing.
- Due to government measures taken and in line with the policy of the University of Basel, which Swiss TPH is an associated institute of, all clinical trials had to be suspended, causing a delay in implementation and therefore a drop in income for 2020 estimated at 20% at the COU unit (–450 KCHF). Additional COVID-19 related projects were applied for and will potentially mitigate the drop in income for 2020.
- Due to travel restrictions and cancelled flights, the implementation of service projects in most countries of operations will be delayed in one way or another and cause a drop in turnover with an impact for the SCIH department (–200 KCHF), not considering additional opportunities due to COVID-19.
- While some education and teaching activities could be conducted via virtual channels, many

postgraduate courses needed to be cancelled or postponed. A significant drop in turnover of sold courses will impact the 2020 result for the ET department (–180 KCHF).

- Research projects with the requirement of the use of laboratories continued under heavy limitations, resulting in delays of research results.
- Other research activities could be continued in the usual way.
- For some research groups the COVID-19 pandemic will trigger a high demand and therefore induce a potential higher income.

As a result of these effects, the cumulative revenues in the first four months of 2020 are estimated to be not more than 5% lower than the 2019 revenues in the same period with the major negative impact identified in April 2020 and also anticipated for May and June 2020. This impact will be mitigated by additional funds for research and services in the field of COVID-19, which potentially will increase the 2020 turnover. Less expenditures in regards to maintenance and facility management due to the de facto lock down of the buildings and less costs for travelling and expenses will also contribute to the mitigation.

The strong liquidity of Swiss TPH has not been negatively affected. The foreign exchange risk was partially mitigated by sales of USD und EUR, which will not be required to be spent in foreign currency (natural hedge).

Swiss TPH has not applied for government-supported loans nor applied for short-shift working compensation (Kurzarbeitsentschädigung) for the time being. It will however ask for the compensation of working days due to homeschooling by employees triggered by the governmental closure of schools, day care facilities and kindergartens.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the entity may experience further negative results, liquidity restraints and incur additional impairments on its assets in 2020. The exact impact on the activities in the remainder of 2020 and thereafter cannot be predicted.

# Swiss Tropical and Public Health Institute

Basel

Report of the auditor  
to the Kuratorium

on the financial statements 2019



# Report of the auditor

## to the Kuratorium of Swiss Tropical and Public Health Institute

### Basel

#### Report of the auditor on the financial statements

On behalf of the Kuratorium and in compliance with §16 of the treaty between the cantons of Basel-Landschaft and Basel-Stadt over the joint sponsorship of the Swiss Tropical and Public Health Institute (Vertrag zwischen den Kantonen Basel-Landschaft und Basel-Stadt über die gemeinsame Trägerschaft des Schweizerischen Tropen- und Public Health-Instituts), we have audited the financial statements of Swiss Tropical and Public Health Institute, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (page 4 to 25), for the year ended 31 December 2019.

#### Kuratorium's responsibility

The Kuratorium is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law and the treaty. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Kuratorium is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the treaty.


#### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Kuratorium.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Brüderlin  
Audit expert  
Auditor in charge



Sven Rumpel  
Audit expert

Basel, 14 May 2020

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